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Reserve

ESTABLISHING ACCOUNT 38.1, WORK IN PROCESS

1. GENERAL: Considerable difficulty has been encountered in applying costs at the time a disbursement is made for building projects carried on under certain Lend-Lease funds, for example 12-111/50028(80). To eliminate this difficulty, the following account is established to accumulate expenditures for building projects until such time as a final distribution of charges can be made:

38.1, Work in Process - This is a debit balance (asset) account maintained to show the cost of repair construction or manufacturing work in process charged to public funds (other than trust funds), and will serve as a control account for the subsidiary records maintained in connection therewith.

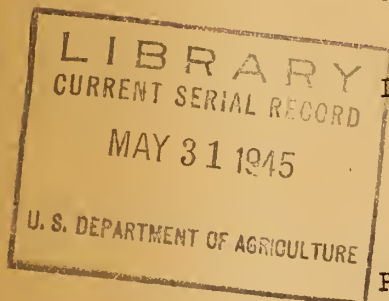
II. ACCOUNTING ENTRIES: The flow of entries through this account is:

Dr. 38.1 Work in Process
Cr. 03.31 Appropriated Funds with the
Disbursing Office, Disbursing Funds

or

02 Available Appropriated Fund (if payment
made by other offices)

Posting media: Schedule of Disbursement (S.F. 1064)



Dr. 30.1 Fixed Property
33.1 Equipment
40.1 Current Cost

Cr. 38.1 Work in Process

Posting media: Journal Voucher (S.F. 1017-G) supported by advice from the Washington Finance Office furnishing the distribution of all charges.

It is to be noted that, although a possible distribution to 40.1, Current Cost is indicated under existing contracts and allotments for building projects, it is not anticipated that any charges to this account will be made.

Fund Accounting
General Ledger

5/15/45

Sheet 1

- III. RESERVE ACCOUNTS: When charges are distributed to the proper cost accounts, depreciation reserves shall be established in accordance with the terms of the contract and as set forth in Finance Instruction 511.1.
- IV. LIMITATION OF ACCOUNT: This account is not to be used for expenditures made for purposes other than building projects such as Administrative Expenses in connection with the operation of the Mobile Laboratory, Salvage of Wrecked Vessels or Purchase of Drying Trays and Picking Boxes, etc..